

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENT:

CONSECO LIFE INSURANCE COMPANY
11815 North Pennsylvania Street
Carmel, Indiana 46232

STIPULATION AND ORDER

Docket No. 2007-013 LC

Enforcement Case No. 1640

STIPULATION

1. Consec Life Insurance Company (hereinafter referred to as "Respondent") is an insurer domiciled in the State of Indiana and authorized to do an insurance business in the State of Utah, NAIC Identification No. 65900.

2. In 2003, Complainant ("UID") began reviewing Respondent's Lifestyle and Lifetime policies.

3. The UID included in its review of the Lifestyle and Lifetime policies the following:

a. Whether all information submitted to the Commissioner was complete and accurate, including the filing of Respondent's actuarial memorandum, as required by § 31A-2-202(6), Utah Code Annotated ("UCA");

b. Whether any communications in Respondent's marketing to Utah residents contained any false or misleading information pursuant to § 31A-23a-402(1)(a)(i) UCA;

c. Whether the policies referenced above clearly stated the amount of the total premium or how they were calculated, as required by § 31A-21-302(1) UCA;

d. Whether policyholders in Utah were unfairly discriminated against, as prohibited by § 31A-21-201(3)(a)(i)(B) UCA.

4. In considering the issues referenced above, the parties acknowledge the following:

a. That Respondent fully cooperated in providing the requested information in a timely manner.

b. That some of the alleged violations occurred with the predecessor to Respondent, and Respondent has undergone a change in its management team and the way it conducts business.

c. That the recent change in management of Respondent has been significant, and several new officers and directors have either been hired or appointed, all of whom are experienced insurance executives.

5. If a hearing were held, witnesses called by the UID could offer and introduce evidence that would support its position related to issues under review.

6. If a hearing were held, Respondent could offer and introduce evidence which would support its position that no violation of Utah law occurred.

7. The parties stipulate to the entry of an order which shall be in lieu of other administrative proceedings.

8. The parties have negotiated the terms of the order to be entered herein, and agree to its entry and further agree to be bound by its terms.

9. The parties acknowledge that the issuance of this order by the Commissioner is solely for the purpose of disposition of the matter entitled herein.

10. The parties acknowledge that many of the issues reviewed by the UID are being resolved in *In re Conseco Life Insurance Company Cost of Insurance Litigation* pending in the United States District Court for the Central District of California.

11. The parties agree that this stipulation and settlement constitutes a full and complete settlement and release of any and all claims on behalf of the UID against Respondent, its affiliates, successors and assigns, with respect to the matters addressed in this stipulation and settlement.

DATED this 26th day of February, 2007.

CONSECO LIFE INSURANCE COMPANY

By: Michael J. Debr

Its: President

UTAH INSURANCE DEPARTMENT

M. Gale Lemmon

Assistant Attorney General

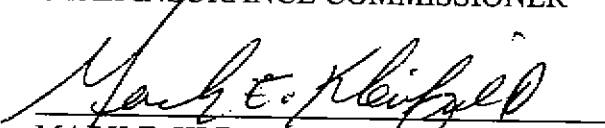
BASED UPON the foregoing Stipulation, the Presiding Officer herewith enters the following ORDER.

ORDER

IT IS HEREBY ORDERED that Respondent is assessed an administrative forfeiture in the amount of Three Hundred Seventy-seven Thousand Five Hundred and Twenty-two Dollars (\$377,522) to be paid within thirty (30) days of the date of this Order.

DATED this 27th day of February, 2007.

HONORABLE D. KENT MICHIE
UTAH INSURANCE COMMISSIONER



MARK E. KLEINFELD, ESQ.

Administrative Law Judge
UTAH INSURANCE DEPARTMENT
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone: (801) 538-3890

CERTIFICATE OF MAILING

I do hereby certify that on this date I mailed, by regular mail, postage prepaid, a true and correct copy of the attached:

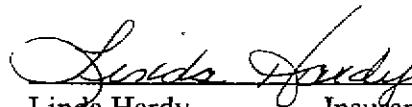
**STIPULATION
&
ORDER**

To the following:

CONSECO LIFE INSURANCE COMPANY
11815 NORTH PENNSYLVANIA
CARMEL, INDIANA, 46232

RANDALL R. SMART, ESQ.
5295 COMMERCE DR.
SUITE 200
MURRAY, UTAH 46032

DATED this 27th day of February, 2007



Linda Hardy Insurance Technician
Utah Department of Insurance
State Office Building, Room 3110
Salt Lake City, UT 84114-6901

UTAH
Invoice - Original

Page 1

Printed Date: February 27, 2007

Invoice Date: February 27, 2007

Balance Due: \$377,522.00

Due Date: March 29, 2007

Invoice ID: 325590

Payor ID: 475

DANNIS TAYLOR
CONSECO LIFE INSURANCE COMPANY
11815 N PENNSYLVANIA ST
P O BOX 1911
CARMEL IN 46032

Item Description	Amount
2/27/2007 Monetary Penalty Company	\$377,522.00
E-case 1640 Docket 2007-013 AD	
Original Amount Due	\$377,522.00

UTAH
Invoice - Original

Invoice Date: February 27, 2007

Balance Due: \$377,522.00

Due Date: March 29, 2007

Invoice ID: 325590

Payor ID: 475

Payor Name: CONSECO LIFE
INSURANCE
COMPANY

Make checks payable to: Utah Insurance Department

Send payment to:

Utah Insurance Department
3110 State Office Building
Salt Lake City, UT 84114-6901